

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-137-W/S - ORDER NO. 97-643
JULY 30, 1997

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IN RE: Application of Tega Cay Water Service,) ORDER
Inc. for an Increase in Rates and Charges) APPROVING
for Water and Sewer Service.) BOND AND
) SURETY

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the Petition of Tega Cay Water Service, Inc. ("the Company") for Approval of Surety Bond. By its Petition, the Company requests the Commission to approve the surety and the amount of the bond so that the Company may place certain rates and charges into effect pending judicial review of the Commission's decision in this Docket. The Company's Petition was submitted pursuant to S.C. Code Ann. §58-5-240(D) (Supp. 1996).

The Company, by Application filed with the Commission on July 26, 1996, applied to the Commission for approval of a new schedule of rates and charges for water and sewer service which the Company provides to its customers in South Carolina. By Order No. 96-879, dated December 23, 1996, the Commission denied the Company's proposed schedule of rates and charges. The Company thereafter petitioned for rehearing or reconsideration of Order No. 96-879. By Order No. 97-126, dated February 13, 1997, the Commission

denied the Company's request for rehearing or reconsideration. The Company then filed a Petition for Judicial Review with the Court of Common Pleas for Richland County requesting review of the Commission's decision in Order No. 96-879 and Order No. 97-126. The Petition for Judicial Review is currently pending in the Court of Common Pleas for Richland County. Tega Cay Water Service, Inc. v. South Carolina Public Service Commission (97-CP-40-0923).

S.C. Code Ann. §58-5-240(D)(Supp. 1996) permits a utility to place into effect, pending judicial review, proposed rates and charges which the Commission has denied. S.C. Code Ann. §58-5-240(D) allows the rates and charges placed into effect under bond to be charged by the utility during an appeal until final disposition of the case. The implementation of the rates under bond is conditioned upon the refund of any difference between the rates placed in effect under bond and the rates ultimately determined to be just and reasonable. Further, refunds from rates placed into effect under bond shall bear interest at a rate of twelve percent (12%).

The Company requests the Commission to authorize a surety bond in the amount of \$680,000. The amount of \$680,000 represents revenues of one and one-half times the additional annual revenues from the Company's proposed rates and charges times two (2) years, which is the expected length of time for disposition of the appeal through the court system. The Company proposes the Peerless Insurance Company be approved as the surety. The Company submits that a bond in the amount proposed and the surety recommended by

the Company adequately secure any refunds which may be required upon conclusion of the appeal.

The Commission has examined the proposed bond and surety, and believes both the amount of the bond and the surety to be reasonable. Therefore, the Commission approves the bond and the surety. The Commission also approves the modified notice proposed by the Company and directs the Company to provide the notice to all its customers in South Carolina.

IT IS THEREFORE ORDERED THAT:

1. The surety bond in the amount of \$680,000 with Peerless Insurance Company as surety is reasonable and sufficient to permit the Company to place its proposed rates and charges into effect as permitted by S.C. Code Ann. §58-5-240(D)(Supp. 1996).

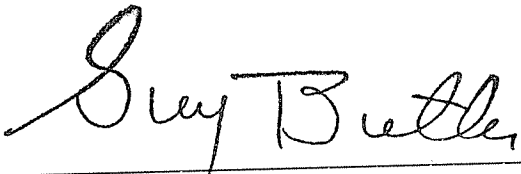
2. The Company shall provide notice to all customers in South Carolina.

3. The Company shall maintain records and evidence "of payments made by its subscribers under the rate or rates which the utility has put into operation in excess of the rates in effect immediately prior to the filing of the schedule" as required by S.C. Code Ann. §58-5-240(D)(Supp. 1996).

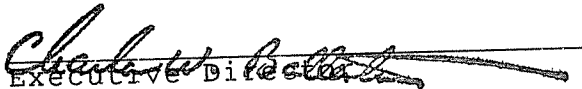
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4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


EXECUTIVE DIRECTOR

(SEAL)